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SUBJECT: CLIMATE CHANGE -- GERMAN OPINION AHEAD OF UN
CLIMATE CHANGE CONFERENCE

REF: A. REFTEL A: STATE 159374

[1](#)B. REFTEL B: BERLIN 01896

[1](#)C. REFTEL C: BERLIN 02135

Summary

[1](#)1. (SBU) The Germans have endorsed a roadmap approach at Bali that is not dissimilar to that of the U.S. (Reftel A), but Chancellor Merkel's government is committing itself to increasingly ambitious environmental objectives that could challenge the U.S. position in Bali and other international negotiations. Climate change remains a major issue in Germany; support for drastic measures to reduce greenhouse gas (GHG) emissions cuts across all party lines and societal strata. Merkel has made climate change one of the signature issues of her Chancellorship (Reftel B). She -- along with most other German political leaders -- supports mandatory, targeted global limits on GHG emissions supported by an international cap-and-trade regime. The Chancellor has been in the forefront of those calling for dramatic reductions in GHG emissions in Germany, the EU and globally. She favors a system that would link permissible GHG emissions to population, rather than measuring GHG intensity by linking emissions to units of GDP. The German government has, nonetheless, demonstrated a willingness to consider alternative solutions and to consider the potential positive role of new technologies, including renewable energy sources and clean coal technologies. The Germans plan to announce a 120 million euro contribution to be used for technology transfer to developing countries at Bali. The Germans were somewhat skeptical, yet willing, participants in the September Major Economies Meeting, and appear willing to work with the U.S. as we focus on more flexible approaches to climate change. End Summary.

German Retrospective on the Major Economies Meeting (MEM)

[1](#)2. (SBU) While Germany thought the MEM was a modest success, our interlocutors have expressed some disappointment over the apparent unwillingness of the U.S. to adopt more concrete objectives. On November 7, we reviewed German impressions of the MEM with Karsten Sach, Deputy Director General for International Cooperation in the Environment Ministry. In Sach's view, too much time at the MEM was set aside for presentations. He said that attendees already know the issues and the positions of the various parties. The discussion on the last day of the MEM was better, although there was disappointment in the room about the lack of

concrete proposals presented by the U.S. Sach also lamented the perceived back-tracking of the U.S. position after Heiligendamm, explaining that the U.S. had gone back to the same climate change presentations that had been used long before the G-8 Summit. "It would have been better if the U.S. had made more movement all summer instead of going backwards," he said. Sach believed using the phrases "process" and "willingness to consider" were not movement enough and the U.S. really needs to set specific emissions reduction targets.

13. (SBU) We also discussed the MEM with Martin Bergfelder, the Desk Officer for Climate Change Issues in the Foreign Ministry as well as his boss, Reinhard Krapp, on November 28th. Bergfelder will attend the UNFCCC conference in Bali. While he was not present for the MEM, he had understood from his colleagues that, with the exception of the technology fund announcement, the U.S. did not have any concrete proposals during the MEM. The Germans, he said, are wondering what the specific U.S. climate change goals and contributions will be.

German Short-Term Goals for Bali Deliverables

14. (SBU) The Germans largely echo the U.S. position on the short-term goals to be achieved in Bali: to create a roadmap for future negotiations and to define the themes that will be discussed in these negotiations. At a CDU/CSU Climate Change Conference on November 26th, Chancellor Merkel said that Bali should lead to a "binding" road map to discuss where to go in addressing climate change over the next two years and the instruments needed to get there. Merkel also reiterated her support for an international trading system to lower GHG emissions.

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15. (SBU) Peter Roesgen, Merkel's senior environment advisor in the Chancellery, told EMIN and ECONOFF that the themes in Bali should include technology transfer and carbon markets. He said it was also important to work on the relationship with emerging economies and developing countries; U.S. leadership was essential to ensure China's participation. While Roesgen did not expect that binding goals will be set in Bali, he thinks the parties should discuss the GHG emission reduction ranges recommended by the IPCC.

16. (SBU) The MFA's Bergfelder said that the Germans are in line with the EU and will focus on eight major themes in Bali, as decided by the EU environmental council in both February and October 2007 in Luxembourg. Those themes are: 1) a shared vision to reach a global long-term target; 2) deeper absolute cuts by developed countries; 3) further fair contributions by other countries; 4) expansion of carbon markets; 5) technology research and transfer; 6) action on adaptation; 7) aviation emissions; 8) deforestation. Environment Minister Sigmar Gabriel, in an address on November 28th to the Friedrich-Ebert Stiftung (the think tank for his SPD Party), said that deforestation will be a major focus in Bali.

Germany's Ambitious Climate Change Targets

17. (SBU) As the leader on environment within the EU, and as Europe's largest economy, Germany feels obligated to assume a disproportionate share of the continent's emission reductions. On this issue, there is little light between the positions of the coalition partners. Heidemarie Apel-Schmelter, senior staffer for the SPD environmental caucus working group in the German parliament, told us on November 28th that, while Germany is in line with EU goals, it recognizes that it must set higher targets for itself.

Dr. Bergfelder explained that just as there was a previous redistribution among EU countries of their different responsibilities within the Kyoto Protocol 8% reduction goal, so will there be a similar EU internal redistribution in any post-2012 reduction goals. Thus, when the EU agreed this year to a 20% GHG reduction goal for 2020 (Reftel C), Germany declared it would make a 30% reduction. If the EU moves to a 30% GHG reduction goal (as it will if other OECD countries agree), then Germany will commit to a 40% GHG reduction. In August 2007, the governing CDU/SPD coalition agreed to the 29 point Meseberg Plan. This plan lays out the specific measures the German government will use to achieve a 36% reduction in carbon dioxide emissions (CO2) by 2020.

¶8. (SBU) Germany has thought carefully about the specific measures it will use to achieve its own targets. Apel-Schmelter explained that most of Germany's GHG reduction goals will concern CO2, as Germany emits relatively little of the other GHGs. The Meseberg measures primarily rely on increasing energy efficiency and the use of renewables. Apel-Schmelter explained that specific sectoral approaches will be used to address those additional GHG emitted from the specific industries that generate them.

¶9. (SBU) Germany is putting its money where its mouth is. Minister Gabriel announced that the German government is developing a package of 15 climate change-related measures that will be introduced in parliament on December 5. This package includes changes to the renewable energy law, increases in the supply of biofuels and regulations that require labeling of automobiles. Finally, Gabriel will make the announcement during the Bali conference that Germany will give 120 million euros - gained through the auction of emissions trading certificates -- to support developing countries in their efforts to address climate change (via Clean Development Mechanism projects, renewables and technology). He expects this to be an annual contribution. In the long-term (by 2050), Merkel believes carbon dioxide emissions should be limited to two tons per person per year.

German Patience Wearing Thin: High Hopes for Significant U.S.
Deliverables post-Bali

¶10. (SBU) While expressing understanding for the U.S. approach to climate change, our German Government interlocutors stress the urgent need for the U.S. to take

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additional significant steps forward. Environment Minister Gabriel has cited the Montreal Protocol concerning chlorofluorocarbons and argued that, since the U.S. accepts other internationally binding commitments, it doesn't make sense for the U.S. not to accept them with respect to climate change. In her speech to CDU/CSU party members, Chancellor Merkel said that it was "sad" that the U.S. had not ratified the Kyoto Protocol. She said that all countries must work together and commit to reduction targets and that the world cannot stand around doing nothing for 20 years. Referencing the Stern Report, Merkel said that the costs of taking no action on climate change would amount to 5%-20% of global GDP. Roesgen also cited these Stern Report figures in his meeting with us and argued, by comparison, that the cost of taking action on climate change was only 1% of global GDP.

Sequencing and Burden Sharing: Echoes of Kyoto

¶11. (SBU) Germany expects the U.S. to take on more responsibilities than other countries. German officials believe that U.S. acceptance of GHG reduction goals is

critical to winning the engagement of emerging economies like China, India, Brazil and Mexico. In her November 26th speech, Merkel used the term first coined in the 1995 COP-1 Berlin Mandate and embodied in the COP-3 Kyoto Protocol: "common but differentiated." The Germans are convinced that if the world sees that the U.S. is committed to combating climate change, emerging economies such as India and China will begin to move. Roesgen said that the U.S. must play a leading role on climate change, "when the U.S. agrees, only then is the basis good for others to agree." But emerging economies should be expected to make a "fair contribution" in line with their circumstances. Sach said that "Germany and the U.S. must lead by example." While developing countries need to participate more deeply, "their contributions will be different in kind" than developed countries.

Making Connections Beyond the Executive Branch

¶12. (SBU) The Germans are speaking openly about support from constituencies in the U.S. besides the Executive Branch. Dr. Sach cited the International Carbon Action Partnership (ICAP - which includes the U.S. states of California, Maine, Maryland, New York, New Jersey, Arizona, Oregon, Washington and New Mexico) as one example. He also said Germans were carefully following Congressional proposals as well as reviewing the issue papers of the leading U.S. presidential contenders. He cited the 80% GHG emission reduction goal of Senator Hillary Clinton in particular. Minister Gabriel said that it was not just the Democratic presidential contenders who were addressing climate change, but all the Republican candidates had proposals as well. Gabriel mentioned the interest of the U.S. business community in emissions trading and he also expressed pleasure that U.S. senators and congressional representatives were heading to Bali.

¶13. (SBU) Foreign Minister Frank-Walter Steinmeier -- a possible SPD contender for the Chancellery in 2009 -- also made reference to the ICAP in a November 28th speech. He said it was just a matter of time before additional states became more involved in emissions trading. During a meeting on November 20th, Uwe Traeger and Cornelia Droste, staffers on the CDU/CSU environmental working group within the Bundestag, asked well-informed questions about climate change initiatives taken on a local and regional level in the U.S. The state of California was routinely cited as a climate change leader. In addition, specific Congressional proposals for a tax on carbon dioxide emissions are being followed attentively by German officials.

Comment

¶14. (SBU) The support for strong environmental reform crosses party lines in Germany. If anything, the SPD is pressing Merkel for even tougher measures to cut emissions. And although some energy intensive industries have criticisms, there is virtually no opposition to Merkel's climate change position from the German public. End Comment.

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